

LNF & IHCIF Calculations Illustration

- ACOM CAN LAG in Albuquerque area -

Given Data

- 11,556 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 31% = % Expenditures on purchased services, 69% = % expenditures in-house
- 96.1% = Cost index for purchasing health care in this geographic area
- 100.6% = Size cost index for in-house costs due to small or large size
- 97.9% = Albuquerque area cost index for health status above or below average

Cost Adjustment Calculations

- \$875 per person for purchased services = $31\% * 96.1\% * \$2,980$
- \$2,081 per person for in-house services = $69\% * 100.6\% * \$2,980$
- \$2,957 per person total = \$875 (purchase) + \$2,081 (in-house)
- **\$2,895 per person total** adjusted for health status = $\$2,957 * 97.9\%$
- **\$2,150 per person net cost** = $\$2,895 - \745 Other resources (M&M&PI)

Existing Expenditures (for 11,556 users excluding wrap-around and collections)

- \$841 per person = local IHS allowance (excludes \$ for wrap-around)
- \$162 per person = expenditures elsewhere in Albuquerque area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,057 per person for OU users** = $\$841 + \$162 + \$54$

LNF Calculation

- **36.5% Gross LNF** = $\$1,057$ (expenditures) / $\$2,895$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **49.1% Net LNF** = $\$1,057 / \$2,150$ net cost ($\$2,895 - \745 other)

IHCIF Allocation

- \$2,699,853 = \$ to raise LNF% from 49.1% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$94,171 Allocation** = $\$2,699,853$ needed for 60% * 3.488% IHCIF fraction

ACOM CAN LAG Unmet Needs

- **\$24,850,456 Net Total Need** = 11,556 users * \$2,150 net cost
- **\$12,640,035 Net Unmet Need** = $(100\% - 49.1\% \text{ LNF}) * 11,556 \text{ users} * \$2,150 \text{ net cost}$